

Prepared by Treasury Office.
This is a new Procedure.

A8.710
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A8.700 TREASURY

P 1 of 5



A8.710 Credit Card Program

1. Purpose

To provide uniform procedures for the processing of VISA and MasterCard transactions in accordance with University policies and the terms of the University's charge card contract and all subsequent amendments. Only VISA and MasterCard credit cards are acceptable under the current program.

2. Applicability

This directive applies to all campuses of the University of Hawai'i.

3. Responsibilities

- a. The Treasury Office approves or disapproves requests to participate in the program.
- b. The campus/department will comply with all procedures specified by the University and the Contractor with respect to sales drafts and related transactions.
- c. The campus/department is responsible for the payment of the monthly rental costs of the authorization terminal, dedicated telephone line, and the service fee.

4. Procedure to Participate in Program

- a. Requests to participate in the charge card program should be addressed to the Director of Treasury and Support Services and contain the following:
 - 1) The justification for participating in the charge card program.
 - 2) The authority that permits the requestor to collect and deposit State or UH cash receipts.

- 3) Description of internal controls that provides for someone other than the Cashier does the reconciling of the account.
 - 4) Description of security measures provided for the blank checks of the settlement checking account.
 - b. Upon approval by the Director of Treasury and Support Services, the Treasury Office will:
 - 1) Establish a settlement checking account with the current contractor.
 - 2) Arrange with the current contractor's representative to contact the department to arrange for personnel training and equipment installation.
5. Procedure to Process Charge Sales
 - a. All sales drafts must be signed by the purchaser at the time of sale. Exceptions to this are purchases by mail order. If a mail order is received, it must list the entire account number, card expiration date, card holder's name and signature, and amount to charge.
 - b. Specific instructions for charge sales transaction processing are included in the user manual provided by the contractor.
6. Procedure to Refund Card Purchase
 - a. All refunds of goods and services paid for by credit card shall be made by credit vouchers. Department personnel shall sign each credit voucher. The amount of the credit voucher may not exceed the amount of the original transaction as reflected on the sales draft.
 - b. Specific instructions for returned transaction processing are included in the user manual provided by the contractor.
7. Procedure to Transfer Funds to the University of Hawai'i General Account (UHGA)
 - a. All terminals must be closed and transmitted daily to the contractor to receive credit for transactions processed. Specific instructions for deposit transaction processing are included in the user manual provided by the contractor.

- b. Issue a check made payable to the University of Hawai'i from the settlement account for the net total amount processed.
 - c. Follow current procedure to deposit receipts to the UHGA. Refer to Administrative Procedure A8.701.
 - d. If a credit voucher is deposited without offsetting sales drafts or if the credit amount exceeds the amount of the offsetting sales drafts, process immediately an imprest check or an Authorization for Payment form to refund the bank by depositing the refund check into the settlement account to clear the negative balance.
- 1) If an Authorization for Payment is processed to refund the negative balance, request a "Manual" check from the Disbursing Office.



8. Reconciliation of Settlement Accounts

- a. Use "Monthly Reconciliation of Credit Card/Lockbox Settlement Checking Account" (Form CC-1) to reconcile the settlement account (Attachment 1).
- b. The reconciler must not be the same person who signs the checks.
- c. Examine each check to be sure that all checks are payable to the University of Hawai'i and all endorsements are for credit to the UHGA.
- d. Reconciler and Fiscal Officer must sign the reconciled statement and submit it to the Treasury Office within ten days of receipt of settlement account statement.



9. Retrieval of Charge Cards

- a. As stipulated in the University's current credit card contract, the department will use its best efforts to retrieve peaceably cards which have expired; have been reported as revoked by the contractor to the University; are listed for recovery on a current Warning Notice, Card Recovery Bulletin, Restricted Card List, or similar notice; are counterfeit, to the reasonable belief of the University.
- b. Retrieved cards are mailed to the contractor's credit card security section.

10. Payment of Bank Fees

The contractor will submit monthly an original and two copies of invoices to each department for the rental of equipment and service fee incurred. Purchase orders or imprest checks, as appropriate, shall be issued to the contractor for payment.

UNIVERSITY OF HAWAI'I

MONTHLY RECONCILIATION OF CREDIT CARD/LOCKBOX
SETTLEMENT CHECKING ACCOUNT

Month of _____

Date: _____

UH Campus/Department: _____

Custodian: _____

Bank balance shown on statement

Add deposits not included in statement

Sub-Total

Subtract outstanding checks

Total (Should equal check register balance)

Campus/Department check register balance

*Shortage/Overage

*Explanation of Shortage/Overage and Corrective Action:

List of outstanding checks (numbers and amounts)

List of check numbers - voids / stop payments

Voids:

Stops:

Reconciled by: _____ Date: _____

Reconciler's Signature

Reviewed by: _____ Date: _____

Fiscal Officer's or Program
Administrator's Signature

**SUBMIT THE ORIGINAL OF THIS REPORT TO THE TREASURY OFFICE WITHIN 10 WORKING DAYS
FROM RECEIPT OF BANK STATEMENT**